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PROPOSED ORGANIZATIONAL REALIGNMENT OF ORE

31 August 1949

1. TAB A reflects the recommended realignment of ORE as a whole. TAB B illustrates the recommended modifications of the Regional Branch structure.

2. ORE organizational recommendations are based upon the following considerations:

a. that ORE is required to produce intelligence in the following categories:

- (1) high level national intelligence estimates.
- (2) analytical intelligence and other intelligence research studies required for national intelligence estimates, not otherwise available through the departmental intelligence effort.
- (3) operational intelligence in support of CIA field operations.
- (4) intelligence in fields of common concern which can be performed most efficiently as a central effort.

b. that the above stated categories of production can be separated in relation to:

- (1) the reporting, reviewing and analytical part of the intelligence process.
- (2) the synthesizing and estimating part of the intelligence process.

c. that required organizational realignment to meet the referenced NSC-50 objectives and the ORE mission should result in adjustments of ORE's present organization both at the ORE level, and at the production levels within ORE. In this respect, the following principles have governed ORE's present recommendations:

- (1) at the ORE level continuous planning, programming, review, and coordination of the production effort is required to insure direction of effort in accord with ORE's production mission, to eliminate conflicting claims on limited capabilities and to maintain a proper balance between the two categories of production in the total intelligence process.

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(2) at the production level within ORE, the different parts of the intelligence process require separation, organizationally, in order to eliminate competition between the production of high level estimates on the one hand, and lower level analytical and research production, on the other, in terms of available manpower.

d. that the separation of ORE's producing components into an "Estimates Division" and a "Research and Reports Division" is ill-advised for the following reasons:

(1) such decentralization of the intelligence processes would necessarily result in: loss of efficiency; a potential, if not actual, danger of duplication of effort within ORE; and a vastly increased problem of both substantive and production coordination, not only within ORE, but externally as well.

(2) each division would require regional and functional subdivisions, which factor would develop substantial problems concerning the flow, routing and priorities of access to, and competition for, source material.

3. The foregoing considerations resulted in the following specific organizational recommendations as reflected in the charts under TAB A and TAB B.

a. that there should be established, within each regional branch, separate facilities for the production of high level national intelligence estimates, analytical, and research intelligence studies, thereby centralizing substantive and production controls under each branch chief, and providing an allocation of manpower for each category of production. The following comments are included to clarify the chart under TAB B.

(1) The Estimates Staff will produce national intelligence estimates exclusively in accordance with DCI 3/1 procedures and will have sufficient manpower to insure an adequate production effort in this category.

(2) The Analytical Divisions will retain their present geographic responsibilities, and will systematically examine, identify and analyze the significance of emergent trends within their areas of responsibility in order to furnish the Estimates Staff processed intelligence data for use in the production of national intelligence estimates.

(3) The Regional Research Division will support the Analytical Division and the branch Estimates Staff on a branch-wide basis. It will also conduct research in fields of common concern which are appropriate to regional, as distinguished from purely functional treatment.

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b. that there should be established an Estimates Production Board (EPB) under chairmanship of the AD/ORE, in lieu of the present Intelligence Production Board (IPB). In addition to the present IPB functions, the EPB would be responsible for participating in the final review of national intelligence estimates prior to IAC coordination, and to advise the AD/ORE on the adoption of proposed intelligence production programs and specific projects for recommended or requested estimates, to insure that priorities are given at all times to production of high level estimates.

c. that there should be established a Central Research Group consisting initially of the Map Branch, the National Intelligence Survey Branch (Basic Intelligence Group, redesignated) and the General Branch (formerly the General Division, Plans and Policy Staff). At such time as it is determined to conduct intelligence research in fields of common concern not appropriate to the regional research divisions, additional facilities for this purpose may be added to the Central Research Group.

4. In addition to the foregoing, the following organizational changes have been provided for on the chart under TAB A and are recommended:

a. that an Operations Group be established under the Office of the Assistant Director to conduct administrative services and provide operational support to the producing components including such facilities as requirements and liaison.

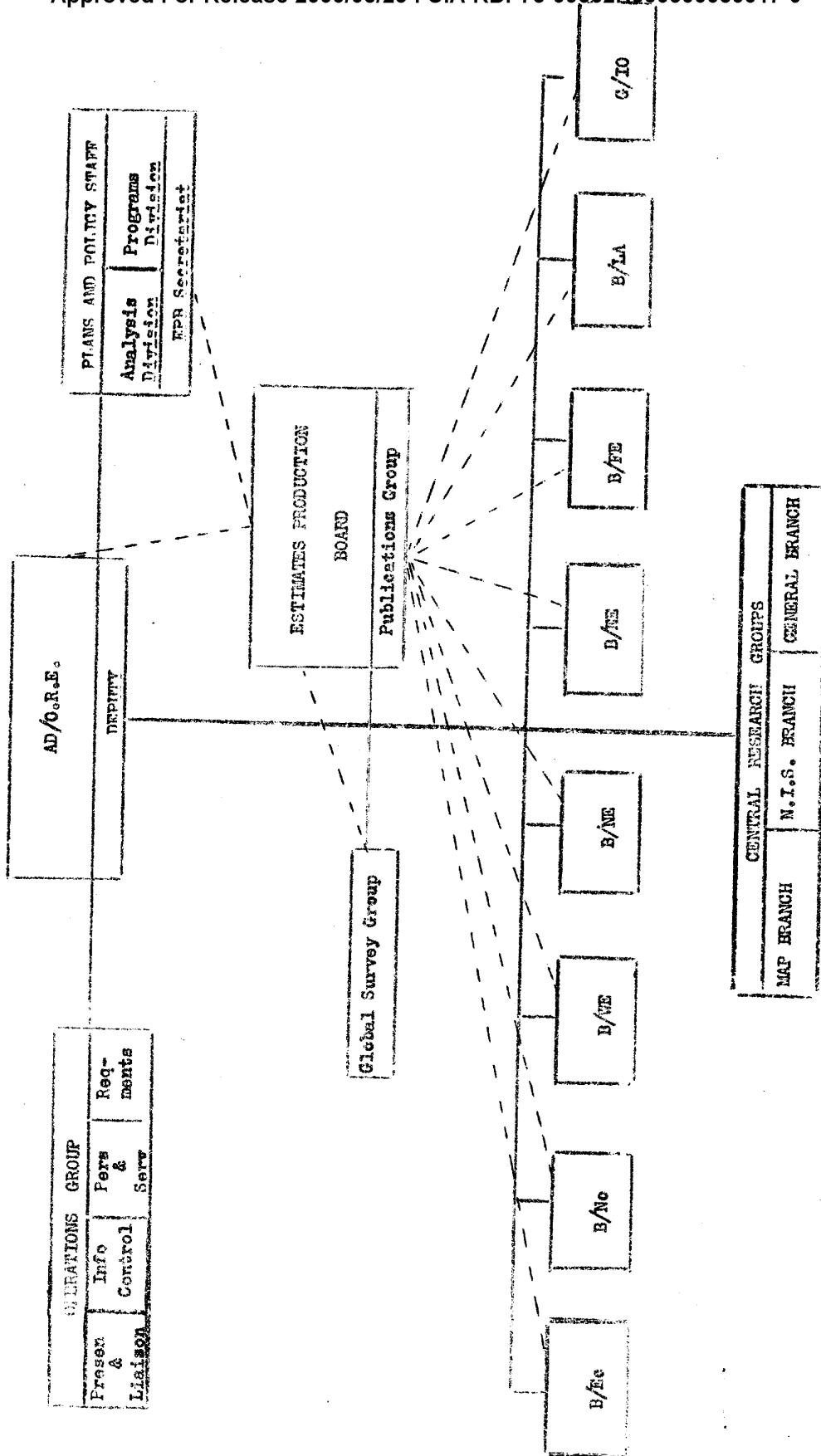
b. that the present Current and Staff Intelligence Groups be merged into a single Publications Group under the EPB, to provide for the coordination, editing and publication of finished intelligence.

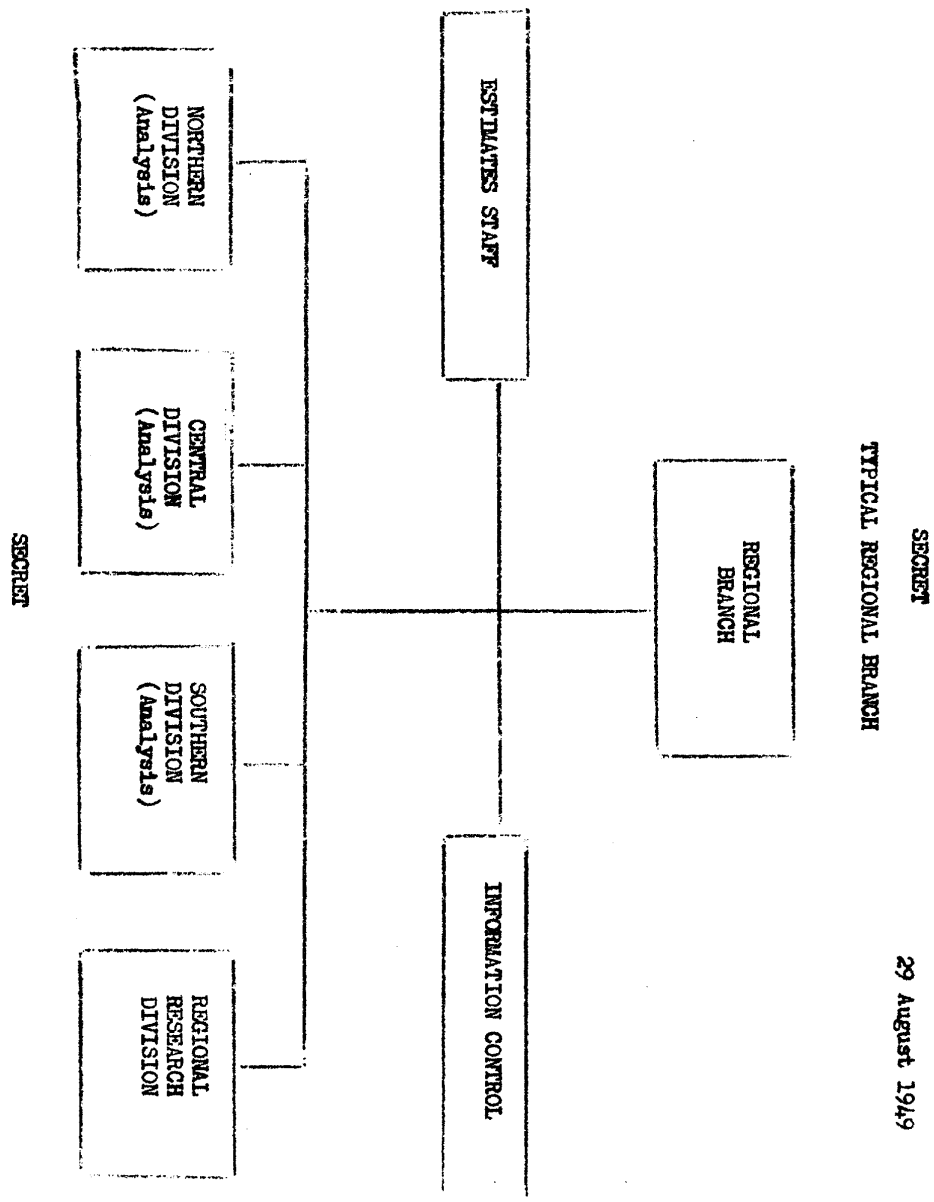
c. that the Transportation Group be reconstituted as a Division of the Economics Branch.

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DEPARTMENT OF STATE
REPORT OF THE
STEERING COMMITTEE OF
REORGANIZATION TASK FORCE #2

[Excerpt from above report, paragraph III, E, (b), page 15.]

(b) Submission of Intelligence Estimates to the Top Command

As part of its recommendation for the reorganization and reorientation of the intelligence effort, the Hoover Commission Report stated that the intelligence unit "should be a device by which the Secretary and Under Secretary can obtain expert evaluations and check on information coming from the action units." The Steering Committee has given a great deal of attention to this problem. It has concluded that R should supply intelligence estimates to the Secretary, Under Secretary and Policy Planning Staff without review by other offices when so requested. In such cases interested offices would be provided with copies of such documents for post-audit. In all other cases, intelligence papers produced in R for the top command should be reviewed by the appropriate regional or Functional Office prior to submission. In the event of disagreement, the reviewing area should be given an opportunity to append its dissent. The Steering Committee believes that this procedure protects the ability of the research and intelligence organization to produce independent estimates. At the same time a sound relationship between the research-intelligence organization and other parts of the Department can be maintained.

(c) Dissemination Outside the Department of Intelligence Reports and Estimates

The Steering Committee has, after thorough consideration, concluded that in order that the Department may speak at all times with a consistent voice in its relationships with other agencies, the research and intelligence reports and estimates must be reviewed by the appropriate action office before they are distributed to other agencies. The Committee believes that the review procedure it has recommended gives R the opportunity to express its independent judgement in such reports and estimates, and does not preclude the Department from fulfilling its responsibilities to the National Security Council and the Central Intelligence Agency. (There follows a dissent by Mr. Howe to this conclusion.)

Dissent by Mr. Howe

Mr. Howe dissents from the conclusion and recommendation requiring review of all estimates going outside the Department. According to this procedure the research-intelligence organization would find itself in a dilemma wherein, as the Steering Committee indicates, it must join with the rest of the Department in speaking with a consistent voice outside

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the Department and yet, by directive of the National Security Council in establishing coordination for the intelligence agencies, it is obligated to produce estimates based on intelligence factors which therefore might not be consistent with existing policy, including departmental policy. These coordinated national estimates are for the use of the several Departments and for the National Security Council. Mr. Howe believes that R would prefer and expect its contributions generally to reflect the views of and the information available in, the action offices, and it would endeavor, as it has in the past, to achieve this end. Nevertheless, he believes this should not be made mandatory because the other intelligence agencies, finding the Department's intelligence organization estopped from submitting estimates independent of existing policy considerations, would tend to replace the Department's contribution by their own, thus destroying the foundation for coordinated national estimates. Such a situation would not be in the best interests of the Department and further would tend to encourage the development of competitive intelligence production concerned with foreign policy with which the Department would have to deal.

Mr. Howe recommends therefore that R be responsible for obtaining the advice of the appropriate action office before dissemination outside the Department.